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Egypt's Food Processing Ingredients Competitive Landscape

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Report Highlights:

Egypt imported some \$4 billion worth of food ingredients in 2017; the United States, the eighth largest supplier with roughly \$138 million in sales, accounts for about four percent of the sector's import market share. Egypt is exporting over \$2.8 billion in processed and manufactured foods mainly to the Middle East; there are 339 million potential consumers within 500 kilometers of its borders. U.S.-origin food ingredients face competition from European, Middle Eastern, and now also increasingly African-origin exports. These suppliers maintain preferential trade arrangements with Egypt; which provide favorable tariff treatment.

General Information:

Egypt imported alone some \$4 billion worth of food ingredients in 2017; the United States, the eighth largest supplier with roughly \$138 million in sales, accounts for about four percent of the sector's import market share. Egypt is exporting over \$2.8 billion in processed and manufactured foods mainly to the Middle East; there are 339 million potential consumers within 500 kilometers of its borders.

The Egyptian [Chamber of Food Industries \(CFI\)](#) indicates that there are over 7,000 food manufacturing companies operating in the country; 5,200 alone are registered with it. In 2017, the food processing and manufacturing sectors reportedly generated \$22.2 billion in sales.

U.S.-origin food ingredients face competition from European, Middle Eastern, and now also increasingly African-origin exports. These suppliers maintain preferential trade arrangements with Egypt; which provide favorable tariff treatment. Shipping proximity to Egypt also often provides exporters in these countries an additional comparative advantage against U.S.-origin food ingredients.

Egypt is a signatory to the following multilateral trade agreements:

- The General Agreement on Tariffs and Trade (GATT)
- The General Agreement on Trade in Services (GATS)
- Egyptian-European Mediterranean Partnership Agreement
- The Common Market for Eastern and Southern Africa (COMESA)
- Pan Arab Free Trade Area (PAFTA)
- Turkey-Egypt Free Trade Agreement
- Egypt-Mercosur Free Trade Agreement (effective June 22, 2017)

Egypt has signed several bilateral agreements with a number of Arab Countries: Jordan (December 1999), Lebanon (March 1999), Libya (January 1991), Morocco (April 1999), Syria (December 1991), and Tunisia (March 1999). In 1995, Egypt and China entered into a trade accord. Egypt has also signed an economic treaty with Russia.

Exports of U.S.-origin corn (maize) other than corn, corn (maize) crude oil, food preparations, milk and cream concentrated or sweetened remain highly competitive.

TABLE 1: Egypt's Major Suppliers of Food Ingredients, Competitive Landscape (2017)

Product Category	Major Supply Sources	Strengths of Key Supply Countries	Advantages and Disadvantages of Local Suppliers
Corn (Maize), Other Than Seed Corn Imports: 929,614 MT \$1.5 billion	1. Ukraine - 34% 2. Argentina - 31% 3. Brazil - 25% 4. USA - 3%	1. Competitive Price 2. Proximity 3. Trade Agreement Reduced Tariff	1. Price competitiveness 2. Lower Quality
Fish, Frozen (No Fish Fillet or Other Fish Meat) Imports: 279,114 MT \$365 million	1. Netherlands - 26% 2. Brazil - 19% 3. Japan - 15% 4. Norway - 9% 12. USA - 1%	1. Competitive Price 2. Proximity 3. Trade Agreement Reduced Tariff	1. Price competitiveness 2. Lower Quality 3. Limited Domestic Production
Tea, Wether or Not Flavored Imports: 85,357 MT \$233 million	1. Kenya - 86% 2. India - 7% 3. Sri Lanka - 2% 4. UAE - 1.9% 16. USA - 0.01%	1. Competitive Price 2. Proximity	1. Price Competitiveness 2. Limited Domestic Production
Black Tea Fermdt & Other Partly Fermentd Tea Nesoi Imports: 83,432 MT \$223 million	1. Kenya - 90% 2. India - 8% 3. UAE - 0.8% 4. Sri Lanka - 0.7% 14. USA - 0%	1. Competitive Price 2. Proximity 3. Trade Agreement Reduced Tariff	1. High Quality Output 2. Price Competitiveness 3. Limited Domestic Production
Milk and Cream, Concentrated or Sweetened Imports: 66,998 MT \$156 million	1. New Zealand - 19% 2. France - 18% 3. Germany - 16% 4. Canada - 11% 7. USA - 5%	1. Competitive Price 2. Proximity 3. Trade Agreement Reduced Tariff	1. High Quality Output 2. Price Competitiveness 3. Limited Domestic Production
Food Preparations Nesoi Imports: 38,705 MT \$149 million	1. Ireland - 39% 2. Germany - 9% 3. Netherlands - 7% 4. USA - 5%	1. Competitive Price 2. Proximity 3. Trade Agreement Reduced Tariff	1. Price Competitiveness 2. Limited Domestic Production
Sunflower-Seed or Safflower Oil, Crude, Fract, Etc Imports: 165,322 MT \$133 million	1. Russia - 80% 2. Ukraine - 17% 3. Belarus - 3% 4. Belgium - 0.03% 14. USA - 0%	1. Competitive Price 2. Proximity	1. Price Competitiveness 2. Limited Domestic Production
Odoriferous Mixture; Raw Mat'L For Indus & Bev Mfg Imports: 14,053 MT \$123 million	1. Germany - 22% 2. Ireland - 12% 3. Switzerland - 11% 4. India - 10.5% 9. USA - 3%	1. Competitive Price 2. Proximity 3. Trade Agreement Reduced Tariff	1. High Quality Output 2. Price Competitiveness 3. Limited Domestic Production
Mrk & Crm, Cntd, Swt, Powdr, Gran/Solids, Nov 1.5% Fat Imports: 51,159 MT \$108 million	1. France - 26% 2. Germany - 22% 3. Canada - 15% 4. Finland - 9% 7. USA - 7%	1. Competitive Price 2. Proximity 3. Trade Agreement Reduced Tariff	1. Price Competitiveness 2. Limited Domestic Production
Butter and other Fats and Oils Derived from Milk Imports: 19,590 MT \$98 million	1. New Zealand - 69% 2. Ukraine - 6% 3. India - 4% 4. Denmark - 3% 9. USA - 1.6%	1. Competitive Price 2. Proximity 3. Trade Agreement Reduced Tariff	1. Price Competitiveness 2. Limited Domestic Production

Source: Global Trade Atlas, CAPMAS, FAS Cairo office research.

TABLE 2: Egypt, Food Ingredients Import HS Codes

Food Ingredients and Additives as Identified by the Egyptian Chamber of Food Industries (February 2018)	
HS Code	Description
0303	Fish; frozen, excluding fish fillets and other fish meat of heading 0304
0303.11	Fish; frozen, Pacific salmon, sockeye salmon (red salmon) (<i>Oncorhynchus nerka</i>),
0303.19	Fish; frozen, salmonidae, n.e.c. in item no. 0303.1, excluding fillets, fish meat of 0304, and edible fish offal of subheadings 0303.91 to 0303.99
0402	Milk and cream; concentrated or containing added sugar or other sweetening matter
0402.10	Dairy produce; milk and cream, concentrated or containing added sugar or other sweetening matter, in powder, granules or other solid forms, of a fat content not exceeding 1.5% (by weight)
0402.21	Dairy produce; milk and cream, concentrated, not containing added sugar or other sweetening matter, in powder, granules or other solid forms, of a fat content exceeding 1.5% (by weight)
0402.2191	Not less than 10K
0402.2991	Not less than 10K
0402.9119	Other
0402.9919	Other
0404.10	Dairy produce; whey, whether or not concentrated or containing added sugar or other sweetening matter
0404.9010	Dairy produce; whey, whether or not concentrated or containing added sugar or other sweetening matter in 10kgm packages or more
0405	Butter and other fats and oils derived from milk; dairy spreads
0405.1090	Other
0405.2090	Other
0405.9090	Other
0406	Cheese and Curd
0406.30	Dairy produce; cheese, processed (not grated or powdered)
0406.9010	Dairy produce; cheese (not grated, powdered or processed), n.e.c. in heading no. 0406, in 10kgm packages or more
0408	Birds' eggs, not in shell; egg yolks, fresh, dried, cooked by steaming or boiling in water, moulded, frozen or otherwise preserved, whether or not containing added sugar or other sweetening matter
0408.11	Eggs; birds' eggs, yolks, dried, whether or not containing added sugar or other sweetening matter
0408.91	Eggs; birds' eggs (not in shell, excluding yolks only), dried, whether or not containing added sugar or other sweetening matter
0801.11	Nuts, edible; coconuts, desiccated
0802.12	Nuts, edible; almonds, fresh or dried, shelled
0804	Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens; fresh or dried
0804.10	Fruit, edible; dates, fresh or dried
0804.20	Fruit, edible; figs, fresh or dried
0806.20	Fruit, edible; grapes, dried
08.11	Fruit and nuts; uncooked or cooked by steaming or boiling in water, frozen, whether or not containing added sugar or other sweetening matter
0811.10	Fruit, edible; strawberries, uncooked or cooked by steaming or boiling in water, frozen, whether or not containing added sugar or other sweetening matter
0811.20	Fruit, edible; raspberries, blackberries, mulberries, loganberries, black, white or red currants and gooseberries, uncooked or cooked, whether or not containing added sugar or other sweetening matter
0811.90	Fruit, edible; fruit and nuts n.e.c. in heading no. 0811, uncooked or cooked, frozen whether or not containing added sugar or other sweetening matter
08.12	Fruit and nuts provisionally preserved; e.g. by sulphur dioxide gas, brine, in sulphur water or in other preservative solutions, but unsuitable in that state for immediate consumption
0812.10	Fruit, edible; cherries, provisionally preserved, but unsuitable in that state for immediate consumption
0812.90	Fruit, edible; fruit and nuts n.e.c. in heading no. 0812, provisionally preserved, but unsuitable in that state for immediate consumption
08.13	Fruit, dried, other than that of heading no. 0801 to 0806; mixtures of nuts or dried fruits of this chapter
0813.10	Fruit, edible; apricots, dried
0813.20	Fruit, edible; prunes, dried
0813.30	Fruit, edible; apples, dried
0813.40	Fruit, edible; fruit n.e.c. in heading no. 0812, dried
0813.50	Nuts, edible; mixtures of nuts or dried fruits of chapter 08
09.01	Coffee, whether or not roasted or decaffeinated; husks and skins; coffee substitutes containing coffee in any proportion
0901.11	Coffee; not roasted or decaffeinated
09.02	Tea

TABLE 2: Egypt, Food Ingredients Import HS Codes (continued)

0902.20	Tea, green; (not fermented), in immediate packings of a content exceeding 3kg
0902.40	Tea, black; (fermented) and partly fermented tea, in immediate packings of a content exceeding 3kg
1005.90	Cereals; maize (corn), other than seed
1103.11	Cereal groats and meal; of wheat
1103.13	Cereal groats and meal; of maize (corn)
1108.11	Starch; wheat
1108.13	Starch; potato
1109.00	Wheat gluten; whether or not dried
1208.10	Flours and meals; of soya beans
1301.20	Gum Arabic
1301.90	Natural gums, resins, gum-resins and oleoresins, n.e.c. in heading no. 1301
1302.19	Vegetable saps and extracts; n.e.c. in item no. 1302.1
1302.20	Pectic substances; pectinates and pectates
1302.31	Mucilages and thickeners; agar-agar, whether or not modified, derived from vegetable products
1302.32	Mucilages and thickeners; whether or not modified, derived from locust beans, locust bean seeds or guar seeds
1302.39	Mucilages and thickeners; whether or not modified, derived from vegetable products, n.e.c. in item no. 1302.3
1507.10	Vegetable oils; soya-bean oil and its fractions, crude, whether or not degummed, not chemically modified
1507.9099	Vegetable oils; soya-bean oil and its fractions, Other
1511.10	Vegetable oils; palm oil and its fractions, crude, not chemically modified
1511.9091	Vegetable oils; palm oil and its fractions, half refined, refined
1512.11	Vegetable oils; sunflower seed or safflower oil and their fractions, crude, not chemically modified
1512.1991	Vegetable oils; sunflower seed or safflower oil and their fractions, half-refined
1512.21	Vegetable oils; cotton-seed oil and its fractions; crude, whether or not gossypol has been removed, not chemically modified+B:BB95B:CB:D
1512.2991	Vegetable oils; cotton-seed oil half-refined
1513.11	Vegetable oils; coconut (copra) oil and its fractions, crude, not chemically modified
1513.199	Vegetable oils; conut (copra) oil and its fractions, other
1513.21	Vegetable oils; palm kernel or babassu oil and their fractions, crude, not chemically modified
1513.2991	Vegetable oils; palm kernel or babassu oil and their fractions, crude, not chemically modified, half-refined, refined sub
1514.11	Vegetable oils; low erucic acid rape or colza oil and its fractions, crude
1514.1990	Vegetable oils; low erucic acid rape oil and its fractions, for refining
1514.9990	Vegetable oils; low erucic acid colza oil and its fractions, for refining
1515.21	Vegetable oils; maize (corn) oil and its fractions, crude, not chemically modified
1515.299	Vegetable oils; maize (corn) oil and its fractions, crude, not chemically modified, other
1515.2991	Vegetable oils; maize (corn) oil and its fractions, not chemically modified, half-refined
1515.30	Vegetable oils; castor oil and its fractions, whether or not refined, but not chemically modified
1516.2010	Cocoa butter substitutes
1516.2090	Vegetable fats and oils and their fractions; partly or wholly hydrogenated, inter-esterified, re-esterified or elaidinised, whether or not refined, but not further prepared, cocoa butter substitutes, other
1517.1090	Margarine; mixes or edible preparations of animal and plant fat, greese, oil or from different fat, greese, oil particles in this chapter, not including edible fats, greese, oil in chapter 15.16
1517.9099.10	Mixes or edible preparations of animal and plant fat, greese, oil or from different fat, greese, oil particles in this chapter, not including edible fats, greese, oil in chapter 15.16
1701.11	Cane sugar crude, no coloring or nectars added
1701.12	Beat sugar crude, no coloring or nectars added
1702.1190	Lactose and Lactorse syrubb, other
1702.19	Sugars; lactose and lactose syrup, containing by weight less than 99% lactose, expressed as anhydrous lactose, calculated on the dry matter
1702.2090	Maltodextrin sugar less than 10%
1702.3090	Glucose
1702.9090	Dextrose
1801	Cocoa beans; whole or broken, raw or roasted
1803	Cocoa; paste; whether or not defatted
1804	Cocoa; butter, fat and oil
1805	Cocoa; powder, not containing added sugar or other sweetening matter
1806.20	Chocolate & other food preparations containing cocoa; in blocks, slabs or bars weighing more than 2kg or in liquid, paste, powder, granular or other bulk form in containers or immediate packings, content exceeding 2kg

TABLE 2: Egypt, Food Ingredients Import HS Codes (continued)

1905.31	Food preparations; sweet biscuits, whether or not containing cocoa
2007.99	Jams, fruit jellies, marmalades, purees and pastes; of fruit or nuts n.e.c. in heading no. 2007, cooked preparations (excluding homogenised), whether or not containing added sugar or other sweetening matter
2008.19	Nuts and other seeds; whether or not containing added sugar, other sweetening matter or spirit (excluding ground-nuts except in mixtures)
2009.9090	Juice Concentrates
2102	Yeasts (active or inactive); other single-cell micro-organisms, dead (but not including vaccines of heading no. 3002); prepared baking powders
21.06	Food preparations not elsewhere specified or included
2106.10	Protein; concentrates and textured protein substances
2106.9090	Food preparations; n.e.c. in item no. 2106.10, other
2401	Tobacco, unmanufactured; tobacco refuse
2710.19	Paraffin Oil
2712.20	Paraffin wax
2809.20	Phosphoric acid and polyphosphoric acids
2827.20	Chlorides; of calcium
2832.10	Sulphites; of sodium
2835.29	Phosphates; (other than of mono- or disodium, other than of potassium or of calcium hydrogenorthophosphate (dicalcium phosphate) and excluding other phosphates of calcium), whether or not chemically defined
2835.3990	Polyphosphates; sodium acid
2835.39	Polyphosphates; other than sodium triphosphate (sodium tripolyphosphate), whether or not chemically defined
2905.17	Alcohols; saturated monohydric, dodecan-1-ol (lauryl alcohol), hexadecan-1-ol (cetyl alcohol) and octadecan-1-ol (stearyl alcohol)
2905.32	Alcohols; acyclic, diols; propylene glycol (propane-1, 2-diol)
2905.45	Alcohols; polyhydric, glycerol
2906.11	Alcohols; cyclanic, cyclenic or cycloterpenic and derivatives
2912.41	Aldehydes; aldehyde-ethers, aldehyde-phenols and aldehydes with other oxygen function, vanillin (4-hydroxy-3-methoxybenzaldehyde)
2912.42	Aldehydes; aldehyde-ethers, aldehyde-phenols and aldehydes with other oxygen function, ethylvanillin (3-ethoxy-4-hydroxybenzaldehyde)
2915.50	Acids; saturated acyclic monocarboxylic acids; propionic acid, its salts and esters
2916.1900	Sorbate potassium
2916.2000	Cyclanic, cyclenic or cycloterpenic monocarboxylic acids, their anhydrides, halides, peroxides, peroxyacids and their derivatives
2916.31	Acids; aromatic monocarboxylic acids, benzoic acid, its salts and esters
2918.11	Acids; carboxylic acids, (with alcohol function but without other oxygen function), lactic acid, its salts and esters
2918.14	Acids; carboxylic acids, (with alcohol function but without other oxygen function), citric acid
2922.42	Amino-acids, other than those containing more than one kind of oxygen function, and their esters; glutamic acid and its esters; salts thereof
2923.20	Lecithins and other phosphoaminolipids, whether or not chemically defined
2924.2990.0	Aspartame
2924.2900.9	Other cyclic amides, their derivatives and their salts, ne
2925.11	Imides and their derivatives; saccharin and its salts
2930.9000.9	Other organo-sulphur compounds, nes
2932.29	Lactones, Other
2932.9900	Maletole
2934.9900.9	Dye sodium
2936.27	Vitamins; vitamin C and its derivatives, unmixed
3002.90	Toxins, cultures of micro-organisms (excluding yeasts) and similar products
3203.00	Colouring matter of vegetable or animal origin (including dyeing extracts, not animal black); whether or not chemically defined; preparations based on colouring matter of vegetable or animal origin
3204.19	Dyes; n.e.c., including mixtures of colouring matter of two or more of those from item no. 3204.11 to 3204.19
3301.25	Oils, essential; of mints (excluding peppermint), terpeneless or not, including concretes and absolutes
3302	Odoriferous substances and mixtures (including alcoholic solutions) with a basis of one or more of these substances, of a kind used as raw materials in industry; other preparations based on odoriferous substances, of a kind used for beverage manufacture

TABLE 2: Egypt, Food Ingredients Import HS Codes (continued)

3501.10	Casein
3502.11	Albumins; egg albumin, dried
3504.00	Peptones and their derivatives; other protein substances and their derivatives n.e.c. or included; hide powder, whether or not chromed
3505.10	Dextrins and other modified starches
3507.10	Enzymes; rennet and concentrates thereof
3802.90	Chemical products; activated natural mineral products, animal black, including spent animal black
3823.11	Industrial monocarboxylic fatty acids, acid oils from refining; stearic acid
3905.21	Vinyl acetate copolymers; in aqueous dispersion, in primary forms
3912.31	Cellulose ethers; carboxymethylcellulose and its salts, in primary forms
3913.10	Polymers, natural; alginic acid, its salts and esters, in primary forms
3913.90	Polymers, natural and modified natural; in primary forms (excluding alginic acid, its salts and esters)
4001.29	Rubber; natural (excluding latex, technically specified natural rubber and smoked sheets), in primary forms or in plates, sheets or strip

SOURCE: Chamber of Food Industries in Egypt (CFIE), FAS Cairo office research.

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For additional information, see www.fas.usda.gov. See also to our [Food and Agricultural Import Regulations and Standards \(FAIRS\) EGYPT – Narrative](#) and [Certificate 2017](#) reports, as well as our [GAIN – EGYPT: Exporter Guide 2017](#), and [GAIN – EGYPT: HRI Food Service Sector 2017](#) reports.

Trade Associations

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